



2011 CALIFORNIA VOLUNTEER REFERENCE MANUAL – Form 540 Section

Line 94

Tax Due

Is the amount on line 75 less than the amount on line 64?

No: Go to line 91.

Yes: Your client owes more than the payments and credits. Subtract line 75 from line 64 and enter the result on line 94.

Advise your client that FTB assesses penalties for not paying enough tax during the year. FTB assesses the penalty if the tax due on line 94 is \$500 or more, and the state tax withholding amount on line 71 is less than 90 percent of the amount of the total tax on line 64.

If your clients owe a penalty, let Franchise Tax Board compute the penalty and send a bill. Override to zero any estimate penalty calculated by the software.

Line 95

Use Tax

Please refer to the General Information section or Form 540/540A instruction booklet for information regarding use tax. Use tax may be reported directly to the State Board of Equalization (BOE) or on the California personal income tax return. **New this year, the 540/540A booklet includes a worksheet used to figure use tax amounts based on California AGI.** Refer questions on the taxability of purchases to the State Board of Equalization website, boe.ca.gov, or call the BOE Taxpayer Information Section, 800.400.7115.

Line 110

Total Contributions

Your client may make contributions to any of the listed funds on Page 3 of Form 540. For a list of these funds, and a description of each, see the Contribution section of this manual or the Form 540/540A instruction booklet. The contribution amount reduces your clients' refund or, in the event of tax due, will increase the amount your client owes. Add all contribution lines. Enter the result on Line 110. This is your clients' total charitable contribution.

Line 111

Amount You Owe

Add the amount on line 94, line 95, and line 110, if any. Enter the amount on line 111. For additional information on tax due returns and payment information, refer to the General Information section.

Line 112

Interest and Penalties

It is beyond the scope of the VITA/TCE volunteer program to calculate interest, late filing, late payment, and underpayment of estimated tax penalties.



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Refer clients with possible penalties to FTB's public assistance telephone number, **800.852.5711**.

Line 113

Underpayment of Estimated Tax

This is beyond the scope of the VITA/TCE program. Refer those clients to Franchise Tax Board's public assistance number, **800.852.5711**. Delete any penalties assessed in TaxWise. Inform your client that Franchise Tax Board computes the penalty and sends a bill.

Line 114

Total Amount Due

TaxWise calculates this line. Transfer the amount from line 111 to line 114.

Line 115

Refund or No Amount Due

If the amount on line 95 or line 110 is zero, enter the amount from line 93 on line 115. This line states your clients' refund amount. For a refund of \$1 or less, attach a written statement requesting the refund for your client.

For additional information about Refund or No Tax Due returns or refund direct deposit information, refer to the General Information section.

Refund direct deposit is fast, safe, and convenient.

Sign Here

Signing the tax return is the same for all Forms (540 2EZ, 540A, and 540). For e-file returns, use TaxWise Form 8879. Give the client Form 8879 to keep with their records. Do not send Form 8879 to FTB.

Quality Review Checklist

Always quality review the tax return. For a quality review checklist and additional tasks to finish the tax return, refer to the General Information section.